



LAWRENCE G. KEANE

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400 N. Capitol Street NW, Suite 475, Washington, D.C. 20001

February 16, 2023

Via Email

The Honorable Ken Paxton
Attorney General, State of Texas
PO Box 12548
Austin, TX 78711-2548

Re: JP Morgan Chase SB 19 Verification

Thank you once again for making the proper determination regarding Citigroup's (Citi) policy and practice of discriminating against members of American firearm industry. It is our hope that the State's enforcement of the FIND Act (SB 19)¹ will encourage Citi and other companies to change their discriminatory practices and policies and once again serve our members as they do other lawful, responsible businesses.

We write today to supplement our letter of October 11, 2022, and provide you with additional information to document that J.P. Morgan Chase (JPMC), like Citi, has filed a false and untruthful written verification with your office pursuant to the provisions of Texas Government Code § 2274.002(b). As you may recall, on May 27, 2021, JPMC's Chairman and CEO, Jamie Dimon, testified under oath before the U.S. House Financial Services Committee that, JPMC "do[es] not finance the manufacture of military style weapons for civilian use..."²

On September 21, 2022, JPMC's Mr. Dimon, again testified before the U.S. House Financial Services Committee. When asked, for the official committee record, if JPMC lends to "companies that manufacture or sell modern sporting rifles, so long as they are lawful under federal, state, and local law and compliant with federal, state, and local regulations", he responded without qualification, "We do not finance manufacturers of military-style weapons for civilian use."³

The phrase "military-style weapons" is a gun control trope that refers to modern sporting rifles (MSRs) like the AR-15 platform, that is the most popular rifle being sold in the United States. In using this trope in response to a question about modern sporting rifles makes it abundantly clear he understood

¹ Texas Government Code § 2274.001, et. seq.

² U.S. House Committee on Financial Services (2021, May 27). Virtual Hearing - Holding Megabanks Accountable: An Update on Banking Practices, Programs and Policies [Video] Retrieved from <https://youtu.be/Tspaxncgkjc?t=16936>. See also, Foley & Lardner LLP letter, dated May 13, 2021, on behalf of JPMC+ ("JPMC will not finance manufacturers of military style weapons for civilian use.").

³ United States House Committee on Financial Services (2022, September 21). Hybrid Hearing - Holding Megabanks Accountable: Oversight of America's Largest Consumer Facing Banks [PDF] Retrieved from <https://www.govinfo.gov/content/pkg/CHRG-117hrg48840/pdf/CHRG-117hrg48840.pdf>

precisely what he was referring to, civilian semi-automatic rifles. There are more MSRs in circulation today than there are Ford F-Series trucks on the road. NSSF estimates there are almost 25 million MSRs in civilian possession just since 1990.⁴ That is more than the number of F-150s, the most popular vehicle sold in the United States.⁵

His repeated admissions to Congress that his bank has a “policy... that discriminates against a firearm entity...” alone suffices to disqualify JPMC from receiving any contract for goods or services from any governmental entity in the state pursuant to the FIND Act. JPMC would refuse to provide financial services to several well respected, Texas-based federally licensed manufactures of MSRs, like LaRue Tactical, Hodge Defense, and F-1 Firearms, and most of America’s largest firearm manufacturers, e.g. Strum Ruger, Smith & Wesson, Sig Sauer, Daniel Defense and Colt’s Manufacturing.

This JPMC policy is analogous to Citi’s policy prohibiting services to any firearm entity that sells magazines capable of holding more than 10 rounds of ammunition. The root of the bias is attached to the sale or manufacturing of legal goods under state and federal law. As you point out in your decision regarding Citi, the justification for refusal of services in these cases is not based on “any traditional business reason that is specific to the customer or potential customer”. In other words, it is not because the firearm entity is not creditworthy. It is not because it is a defendant in ongoing criminal proceedings. It is not because it is in a floodplain or other perilous area that will almost certainly lead to substantial capital losses at some point.

As we mentioned in our letter of January 3, 2022, if a company is allowed to discriminate against the maker of one type of legal firearm, then it would be allowed to discriminate against the makers of virtually all other types of firearms. It could service a single revolver maker as a means of “proving” it does not discriminate against the American firearm industry.

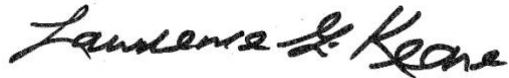
JPMC also has a discriminatory policy of refusing to process credit card transactions for firearm industry members. Enclosed, we have provided you with several reports we have received from our members on this matter. Notably, a N.Y. Post [article](#) in 2018 indicated that Intuit would not process credit card transactions for gun stores. In response to the article, I met with an Inuit executive and former U.S. Senator Tim Hutchinson (Ark.) who was representing Inuit. Senator Hutchison informed NSSF that it was not Inuit’s policy to refuse to process credit card transactions, but instead it was required of them by their agreement with JPMC. I subsequently met with JPMC executives, and they denied having such a policy. However, as you can see from the attached, JPMC does in fact have a policy and practice of discriminating against members of the firearm industry in processing credit card transactions.

⁴ National Shooting Sports Foundation, Inc., *Commonly Owned: NSSF Announces over 24 Million MSRs in Circulation* (July 20, 2022), <https://bit.ly/3CRHhQI>; accord William English, PhD, *2021 National Firearms Survey: Updated Analysis Including Types of Firearms Owned*, at 2 (May 13, 2022), <https://bit.ly/3HaqmKv>.

⁵ See *Kolbe v. Hogan*, 813 F.3d 160, 174 (4th Cir. 2016), *rev’d*, 849 F.3d 114 (4th Cir. 2017) (en banc); *Miller*, 542 F.Supp.3d at 1022-23. In 2020, Ford sold 787,442 F-Series pickup trucks (including, but not limited to, the F-150, the most popular model). *Fourth-Quarter 2020 Sales* at 2, Ford (Dec. 2020), <https://ford.to/3H87Y5T>. That is less than a third of the number of AR-style rifles sold that year. And as compared to the 24 million-plus AR-15-style rifles in circulation, there are approximately 16 million F-150s on the road. Brett Foote, *There Are Currently 16.1 Million Ford F-Series Pickups on U.S. Roads*, Ford Authority (Apr. 9, 2021), <https://bit.ly/3GLUtaB>.

We hope you will consider this additional information, in particular JPMC's admission before Congress that it discriminates, and find that its verification to your office is invalid. Please let us know if you have any questions or if NSSF can be of further assistance to your office.

Sincerely,



Lawrence G. Keane

Enclosures

CC: Leslie Brock (via email)
Assistant Attorney General

In response to an NSSF email regarding Chase bank, I wanted to provide you with our short story. We are current Chase Bank customers for our business and have no issues at this time (and we don't want any issues going forward) but we we're initially turned down based on being an ammunition company. It was only the local banker who was able to either reclassify us or assist in how our account application was written that allowed us to get an account with them. We were not able to get credit card processing through them however, and went elsewhere for those services. I'm not sure that info will be of any legal value to you at all, but we feel better if we help in any way that we can by at least responding.

Mark Shelton

Co-Founder & CEO

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When looking for which bank we would be using to set up the business account for our FFL, we contacted Chase bank to inquire about their business accounts and were turned away by their banker because of the nature of our business.

That was the time I was researching banks for the business and finally opened an account with US Bank in January of 2022 after ensuring that they would not discriminate against a firearms business.

Our FFL is based in Rio Rancho, NM.

Let me know if there is any other information you need.

Thank you,

Adam Krutzler
Owner
Twisted Barrel
505-750-1537

Yes, Chase closed my checking account with no notice. I was able to get a 30 day reprieve to get a new one, based on the fact I had never had any complaints. Just to let me know they really did not approve of my company, Liberty Tree Ammo, LLC. They put a hold on a \$200 transaction and then closed the account and then approved the transaction so there was no where to put the money. They just took it to show me I was not worthy to be in their bank.

When I was first contacted about the closure, I asked them why they were doing this, since I had been meticulous in keeping my account free from any problems. I was told that they did not do business with companies like mine. I had been with them for years.

Thanks, for going after them.

Robert C. Bailey
435-730-5203

Liberty Tree Ammo, LLC

Regarding CHASE bank discrimination when I started my first FFL business about 5.5yrs ago, they refused to accept my application for point-of-sale credit card processing because it was a firearm business. However, I was allowed to set up regular business checking accounts and business credit cards. I still use Chase for those accounts and have not been threatened with closure - yet. I don't know if this helps you, but please let me know if I can be of any assistance.

Kind regards,

Benjamin Ferdinand

Benjamin Tactical Inc.
07 FFL / 02 SOT
Libertyville, IL
224-221-9690
ben@benjamintactical.com
(Formerly Benjamin Specialties LLC)

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We received an email regarding discrimination from Chase. I had all my chase business accounts closed without any warning or negative background history by Chase bank back in approximately 2013-2014. Including business, personal, credit card processing and credit card accounts. After many inquiries An executive named Chris Trunks outright told me it was part of their banks cooperation in operation chokepoint at directive of Eric Holders AG office.

As recent as 1 year ago I inquired about an SBA loan through a broker, the bank he used was chase bank and was rejected by underwriting without any explanation. We would more than meet all financial requirements as we are a financially strong company and myself personally has strong financials.

My company is an 8 figure a year business, with lots of cash flow, large reserves of cash, personal credit rating all exceeding 700, with a perfect credit history. Nothing that would cause a bank to decline our business other than the fact we transact in firearms

Daniel Shamie
818-825-1990
ArmsUnlimited.com

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I saw the email come through from NSSF regarding Chase. I wanted to let you know, in case you weren't already aware, that Chase has also discriminated against several advocacy groups, including FPC. If it would be helpful, I'd be happy to set up a call for you to get more information.

Best,

Cody J. Wisniewski*
Senior Attorney for Constitutional Litigation
Firearms Policy Coalition
P: 916-476-2392

cwi@fpchq.org

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Note: *We at NSSF have been told by representatives of Intuit/Quickbooks that the discrimination described immediately below is based upon a directive from JPMC.*

We were blocked from doing credit card transactions with Intuit /Quickbooks. We never got an explanation, they just kept giving us the run around. We set up an account in the spring of 2021 and in about October we got an email message (copy of email below) that what we sold was against their terms and conditions. They reviewed our website and said that the “types of products and/or services” are an issue. We spoke over the phone with someone when we quickly thought that what we sold “gun parts and gun accessories” might be their issue with us. We stated that we don’t sell GUNS, we don’t have an FFL. We spoke with someone at Intuit to rectify this and we were given the green light that everything was ok and we could go ahead. When we finally switched software over to Quickbooks in November of 2021 and tried to set up the CC transactions, we were blocked. We questioned this for about 2 months thinking there was a glitch in the software or something we did in the setup wasn’t working. We kept getting the run around, but no one would come right out and say, “sorry you don’t meet our terms and conditions”, even though I supplied them with the earlier email stating that we had been approved.

I then googled this issue and saw that a large gun company had already been through this battle and that it appeared we were also being discriminated against. In the long run we continued using this new software that we spent thousands of dollars to move to, but had no access to process credit card transactions with their software. We first had to continue manual cc transactions with the company we had been with for possibly 20 years or more and eventually moved to a new processor and new software company that is integrated with intuit/quickbooks to accommodate our credit card transactions.

Regards,

Sherice Daniel

Administrative Assistant

Sturm European Military Surplus Teesar, Inc.

430 South Erwin Street

Cartersville GA 30120

770-386-2565

From: qbo <qbo@intuit.com>
Sent: Thursday, October 7, 2021 2:20 PM
To: Sherice Daniel <sherice@sturm-miltec.com>
Subject: [DO NOT REPLY] QuickBooks Notification of Processing Limitations

Business Name: Sturm European Military Surplus Teesar Inc.
Case Number: 570115689

Dear Jeffrey Daniel,

Thank you for choosing Intuit for your payment processing needs. While we are pleased to be able to provide you this service, our ability to process payments for the types of products and/or services you offer are limited to face to face transactions. In order to help you meet these requirements and avoid a possible disruption in service, we will disable keyed-in transaction capabilities in our product effective 10/07/2021.

As referenced in the Terms & Conditions you agreed to at the time of application, our [Acceptable Use Policy](#) contains requirements for processing payments for businesses such as yours. These requirements include:

All credit card sales must be done with a card swipe or card insert

Keyed-in transactions are not permitted

Mail, telephone or online orders cannot be processed or supported

What if I don't have a card reader?

Please [Click Here](#) for information on how to receive a free card reader.

Why does Intuit require this?

Our bank processing partner requires that all sales of specific products be conducted face-to-face. We hope that you continue to choose Intuit Payments Solutions for your business, but understand that for some companies, we may not be the best fit.

What if I have questions?

If you have additional questions, you may [click here to Chat with a Representative](#), Monday through Friday, 6:00 AM to 6:00 PM PT

Intuit Payment Services

This message was sent to sherice@sturm-miltec.com, as an Intuit customer, consistent with your email preferences. If you have chosen not to receive marketing messages, you will continue to receive business communications about your selected Intuit product(s), which may either affect your service or software, your account, or which may be legally required. If you receive a suspicious email, please report it by forwarding the email to spoofer@intuit.com.

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2800 E. Commerce Center Place, Tucson, AZ 85706



Eagle Peak Shooting Range & Garland TX Public Shooting Range Business & Savings as well as my personal checking and three credit cards were terminated by Chase Bank.

This is one of the letters I received from Chase Bank (attached) closing my accounts. Business checking and savings accounts for Garland Public shooting Range, Eagle Peak Shooting Range and one business credit card. They also closed three personal credit cards and personal checking and savings accounts.

We deposited over a million dollars annually and charged over one third million on credit cards.

Sincerely,

Jim Day

Eagle Peak Shooting Range

20026 Lindeman Lane

Leander, Texas 78641-8191

Ac512-2676-1400

Cell 214-727-5335

